



California Fair Political Practices Commission

January 30, 1987

Ernest Held
Alameda County Republican Party
1039 MacArthur Blvd.
San Leandro, CA 94577

RE: Your Request for Advice
Our file No. A-86-334

Dear Mr. Held:

You have requested advice concerning the duties of the Republican Central Committee of Alameda County under the campaign disclosure provisions of the Political Reform Act.^{1/} This letter will confirm our telephone conversation of January 14, 1987, in which you provided me with additional information concerning your request for advice. In addition, at that time I provided you with advice concerning the proper method of reporting the receipts and expenditures in question.

FACTS

The republican Central Committee of Alameda County recently held a fundraiser which included an art auction. The art auction was conducted by "Hang-ups," a company which is in the business of conducting art auctions as fundraisers for campaign committees and other organizations.

The committee and Hang-ups agreed that the committee's proceeds would be a percentage of the total daily proceeds from the sale of the art work. The amount of the percentage varied each day of the sale, and was based on the total amount of proceeds received each day.

^{1/}Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Administrative Code Section 18000, et seq. All references to regulations are to Title 2, Division 6 of the California Administrative Code.

It was further agreed that persons purchasing art work with checks would make their checks payable to the committee, and that credit card purchases would be credited to Hang-ups' account.

In addition to proceeds from the sale of artwork, an admission fee of \$5.00 per person was charged.

After the fundraiser was completed, the committee paid Hang-ups the balance of Hang-ups' share of the proceeds (i.e., the difference between the amount Hang-ups received in credit card charges and Hang-ups' total share of the proceeds), along with an amount that represented sales tax. The committee also had other disbursements made out of the proceeds, including party supplies, postage, printing and a room rental fee.

QUESTION

What is the proper method of reporting the receipt and expenditures in connection with the fundraiser/art auction?

ANSWER

The committee should report the receipts and expenditures in connection with the fundraiser/art auction as follows:

Receipts

(1) The entire amount of admission fees should be reported on Line 2 of the Summary of Schedule A.

(2) To determine the amount of each person's "contribution" to the committee, the committee should determine the average percentage rate of its share of the proceeds. This average percentage should be applied to each person's payment to determine the amount of the contribution made to the committee.

For example, if we assume that the committee's average share of the total proceeds was 30 percent and that Hang-ups' share was 70 percent, a person who paid \$300 for a painting has made a contribution of \$90 to the committee, and a payment of \$210 to Hang-ups.

The committee should report these campaign contributions on Schedule A of its campaign statement. Each person who contributed \$100 or more to the committee (i.e., each person who paid more than \$333 for a painting, using the example above) must be itemized on Schedule A. The total of all contributions of less than \$100 should be reported on Line 2 of the Summary of Schedule A.

The total monetary contributions this period (i.e., the figure on Line 3 of the Summary of Schedule A) should reflect the total amount of contributions received by the committee (i.e., 30 percent of the total proceeds from the sale of art work using the example above).

(3) Since the committee actually received more than its agreed-upon percentage share of the total proceeds, the amount over its share should be reported as a lump sum increase to cash on Schedule G, with an explanation that the amount represents Hang-ups' share of the proceeds from the art auction.

(4) The refund of rental deposit should be reported as an increase to cash on Schedule G.

Please note that the committee is not required to report on its campaign statement the amount of credit card charges to Hang-ups' account because that amount may be considered as part of Hang-ups' share of the proceeds. However, the committee must report its percentage share of each credit card purchase, including itemization of each person whose contribution (i.e., 30 percent of the total payment using the example above) was \$100 or more.

Expenditures

The committee should report all expenditures on Schedule E of the campaign statement.

(1) The amount the committee paid to Hang-ups should be described as Hang-ups' share of the proceeds from the art auction.

(2) Payments for party supplies and room rental should be described as payments for a fundraising event (or coded "F").

(3) Payments for postage and printing should be described as payments for literature (or coded "L").

Please call me at (916) 322-5662 if you have any additional questions.

Sincerely,

Diane M. Griffiths
General Counsel

By: Jeanne Pritchard
Chief, Technical Assistance and
Analysis Division



Alameda County Republican Party

1039 MAC ARTHUR BLVD.
SAN LEANDRO, CA 94577

415-638-3414

F P P C
9 13 AM '86

December 11, 1986

State of California
Fair Political Practices Commission
P. O. Box 807
Sacramento, CA. 95804

Gentlemen:

Recently the Republican Central Committee of Alameda County held a Fund Raiser which included an Art Auction, our Committee received a portion of the amount auctioned. Below is a recap of gross receipts and disbursements:

RECEIPTS:

| | | |
|----------------------------------|-----------|-----------|
| *Admission Donations..... | 762.00 | |
| Art Auction, Including Sales Tax | | |
| of \$1,366.66..... | 22,391.66 | |
| Refund of Rental Deposit | 100.00 | |
| Total Receipts | | 23,253.66 |

DISBURSEMENTS

| | | |
|--|-----------|-----------|
| Paid to Hang-ups, \$15,030.41 including \$1,366.66 | | |
| Sales Tax..... | 15,030.41 | |
| Party Supplies..... | 49.51 | |
| Postage..... | 169.00 | |
| Printing..... | 53.25 | |
| Rental, Including Deposits..... | 350.00 | |
| Total Disbursements | | 15,652.17 |
| Net | | 7,601.49 |

To add to the confusion, our agreement was that Credit Card charges would be on their number and checks would be made out to the Republican Party. Credit purchases \$ 4,792.51-- Check purchases \$17,599.15. To settle accounts we paid Hang-ups with a check for \$10,237.10, sales tax was collected on Hang-ups numbers and was included in the settlement.

How do we account on our Political Fair Practice Return?

1. Gross Purchase per Buyer?
2. Gross Purchase less Sales Tax per buyer?
3. Only those writing checks to Republican Party?
4. Only the rate of Commission.

Please put an end to our confusion and advise us, as soon as possible.

Ernest Held
Ernest Held, ^{K.H.}
Treasurer.

*Suggested Donation \$5.00



California Fair Political Practices Commission

December 17, 1986

Ernest Held
Alameda County Republican Party
1039 MacArthur Blvd.
San Leandro, CA 94577

Re: 86-334

Dear Mr. Held:

Your letter requesting advice under the Political Reform Act was received on December 15, 1986 by the Fair Political Practices Commission. If you have any questions about your advice request, you may contact me directly at (916) 322-5662.

We try to answer all advice requests promptly. Therefore, unless your request poses particularly complex legal questions, or more information is needed, you should expect a response within 21 working days. You also should be aware that your letter and our response are public records which may be disclosed to the public upon receipt of a proper request for disclosure.

Very truly yours,

Jeanne Pritchard
Jeanne Pritchard
Chief
Technical Assistance and Analysis
Division

JP:plh